



March 2010

Livingston FSA Office News

Livingston County USDA Service Center

Livingston County FSA

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Chillicothe, MO 64601
660 646 6220 (phone)
660 646 4894 (fax)

Hours

Monday - Friday
7:45 a.m. - 4:30 p.m.
The office will be closed
on all Federal holidays.

County Committee

David Williams
Mary Smith
Ben Beetsma

County Committee meets
the third Thursday each
month at 8:30 a.m.

Staff

Program Technicians
Dianna Sewell
Anissa Johnson
Jeannette Straker
Diana Briscoe

County Executive Director
David Meneely

Farm Loan Manager
John McKinny

Farm Loan Officer
Gary Elrod

Annual DCP Signup Underway

Enrollment for the 2010 Direct and Countercyclical Program (DCP) will continue through **June 1, 2010. Late-filed applications will not be accepted.**

Livingston County currently has only 15% of the potential 2010 contracts approved. Call ahead if you would like to schedule a time to complete your 2010 DCP application.

USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. USDA will issue advance direct payments within a few days after contracts are approved.

Countercyclical payment rates vary depending on market prices. Countercyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.

ACRE

The Average Crop Revenue Election Program (ACRE) provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP.

A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85) percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm.

In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

SURE

Currently applications for the Supplemental Revenue Assistance Program (SURE) are being taken for the 2008 crop year. SURE provides benefits for farm revenue losses due to natural disaster that were incurred starting in crop year 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops of economic significance in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP), except for grazed acreage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or





Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition,
- the crop of economic significance must be a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm,
- the farm experiencing the loss must be in a county declared a disaster county by the Secretary of Agriculture, or in contiguous counties. Those who show proof of an individual loss of at least 50% are also eligible to receive SURE payments for production losses or crop quality losses.

Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls. The calculator is not official, but is intended for educational use. A fact sheet and Q & A are also available online at www.fsa.usda.gov.

Livestock Indemnity Program

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from *extreme* adverse weather events. LIP compensates livestock owners and contract growers for livestock death losses in excess of established normal mortality rates due to adverse weather, including losses due to

floods, blizzards, wildfires, extreme heat, extreme cold, tornados, and lightning.

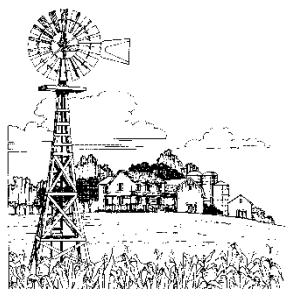
It will be the producers' responsibility to notify the county FSA office about their livestock deaths. Payments are based on 75% of the fair market value for each type and weight range of livestock as determined by FSA. Producers are reminded that LIP regulations require that they *must file a notice of loss within 30 calendar days of when the livestock died* in order to be eligible for LIP.

Producers are also responsible for providing documentation of proof of death (pictures and veterinary inspections are possible suggestions). Beginning inventory (as of the date of the adverse weather event) is also required. Verifiable evidence of normal mortality throughout the calendar year should be provided to the county office. Deaths due to normal mortality will be used in calculating the amount of LIP benefits.

The program is intended to compensate producers for livestock deaths that are caused by abnormal weather-related events and many losses may have weather as a factor, but not qualify as an eligible adverse weather event. Please contact the county office if you have any questions.

Sodbuster/Swampbuster Weather-Related Temporary Variances

Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service (NRCS).





Be sure to have determinations made on any new land you plan to plant to annual crops. Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before creating a new drainage system, improving existing systems, or clearing wooded wetlands.

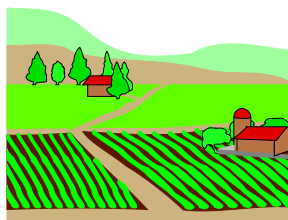
During last fall's harvest season (including October through December 2009), Missouri received excessive amounts of rainfall. Nearly every county in the east half of the state received 5 inches or more rainfall than normal. Many landowners and operators were forced to complete their harvest under extremely wet conditions that resulted in ruts. Landowners/operators will soon be forced to decide how to maintain their approved conservation system during planting time.

Those who participate in USDA programs are required to stay in compliance with the highly erodible land conservation (HELC) provisions of the Farm Bill. One means to maintain compliance and resolve problems with ruts involves the USDA program participant requesting a temporary variance due to the wet weather. As deemed appropriate, NRCS District Conservationists can grant such a variance that would allow the landowner/operator to till the rutted areas prior to planting and avoid noncompliance.

It is imperative that producers request the weather variance prior to beginning fieldwork. This request for variance must be made in advance of 2010 field preparation.

SAFE & Continuous CRP Available

Environmentally-sensitive acreage qualifying for the Conservation Reserve Program State Acres for Wildlife Enhancement (SAFE) Practice and Continuous CRP are eligible for enrollment.



These targeted programs remain funded and continue to provide a heightened environmental benefit on select areas.

AGI and Actively Engaged

USDA has finalized a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to USDA. This agreement will ensure that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs. Participants in CCC programs subject to average AGI rules **must annually certify their eligibility to receive benefits** by either submitting a statement from a certified public accountant or an attorney, or by completing form CCC-926. This form may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainervlet>.

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by the Farm Service Agency (FSA).

Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or



(AGI and Actively Engaged continued from page 3)

management if both of the following apply:

- at least half of the interest in the legal entity is held by stockholders or members who are providing active personal
- labor or active personal management that altogether qualifies as a significant contribution to the farming operation;
- the total direct payments received, both directly and indirectly, by the legal entity and each of the members does not exceed \$40,000.

Dates to Remember	
March 15	NAP Sales Closing Date-Forage and Spring seeded crops.
June 1	Final DCP Enrollment Date
Continues	Facility Loan Program
Continues	CRP Continuous Signup

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